



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
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March 26, 2004

The Honorable Edward M. Turner, III
Chief Judge
County of Pulaski General District Court
P O Box 698
Hillsville, VA 24343

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Pulaski General District Court for the period July 1, 2002 through December 31, 2003.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted a weakness in internal controls that the Clerk needs to address as described below.

Transfer Excess Credit Card Fees

The Clerk does not transfer excess credit card fees promptly. We noted more than \$4,000 in these fees in the court's accounting records. Chapter 10-14-2 of the Financial Management System User's Guide requires clerks to transfer credit card fees in excess of the court's average three-month billing on a proportional basis to the Commonwealth and the locality. Typically, quarterly credit card billings in this court do not exceed \$900. Therefore, the Clerk should transfer amounts exceeding \$900 immediately.

The Clerk should review credit card fee balances quarterly and transfer any excess funds promptly. Failing to do so results in delayed or lost revenue for both the locality and the Commonwealth.

We discussed these comments with the Clerk on March 24, 2004 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable Randal J. Duncan, Judge
 Terri Allen Powers, Clerk
 Don Lucido, Director of Technical Assistance
 Supreme Court of Virginia
 LeAnn Lane, Court Analyst
 Supreme Court of Virginia

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1 Report File
1 Working Papers